

CHAPTER 6. BRITISH BASIC SLAG LIMITED

I. HISTORY

242. British Basic Slag Ltd. (B.B.S.) was incorporated in 1917 as "British Basic Slag (Albert's Successors) Ltd.". Before the 1914-18 war H. and E. Albert, a German concern, had carried on the grinding and selling of basic slag of fertiliser quality under agreements with a number of British steel companies. H. and E. Albert had installed grinding plants at the steel works which, in return for space and other facilities, were eventually to become the property of the steel companies. H. and E. Albert was taken over by the Custodian of Enemy Property in 1914. The various steel companies became members of the new company and took over the ownership of the plants on their respective premises at the time it was incorporated. Subsequently other companies, whose interests lay in the grinding and selling of basic slag and phosphate rock, were admitted to membership. The name of the company was changed to British Basic Slag Ltd. in 1924.

243. The company's Memorandum of Association provides for it to carry on the business of manufacturers and dealers in basic slag and all other manures and chemical substances. Ground phosphate rock was sold by B.B.S. for some years. In 1926 the Board decided that the fundamental object of the company was to dispose of its members' ground basic slag and that it would be contrary to its best interest for members to produce or the company to market any fertilisers other than ground basic slag or potassic basic slag. The latter, which is a mixture of muriate of potash and basic slag, was made by some of the steel companies and marketed from 1930 to 1938 but never on a very large scale. With these exceptions, B.B.S.'s trade has been confined to selling basic slag.

244. It is possible that for a short period before 1925 B.B.S. may have included among its members most of the producers of basic slag for fertiliser use in the United Kingdom.* In 1925 and 1926 a number of members left the company, including Alexander Cross & Sons Ltd. which merged with other firms to form Scottish Agricultural Industries Ltd. (S.A.I.) in December, 1928 (see paragraph 143), and Basic Slag and Phosphate Companies Ltd. whose interests and assets passed eventually to Corby Basic Slag Ltd. (see paragraph 174). Until 1926, when the basic Bessemer process was temporarily abandoned in the United Kingdom, members of B.B.S. included both open-hearth and basic Bessemer producers. Since then only open-hearth producers have been members. In 1932 the B.B.S. Board decided to ask Stewarts and Lloyds Ltd. to become a member in respect of the production of basic Bessemer slag which that company was about to resume, but in the event its output was secured by Corby Basic Slag Ltd. (see paragraph 174). In the 1930s B.B.S. was supplying about 50 per cent. of the country's fertiliser slag output. At the beginning of the 1939-45 war the figure was just under 50 per cent. and this was maintained until after the war, since when it has fallen.

245. The company was one of the founders of the Basic Slag Producers Association (B.S.P.A.) in 1943. It was one of the three members through

* Known exceptions are Richard Thomas and Co. Ltd., Alfred Hickman Ltd. (a company acquired by Stewarts and Lloyds in 1920) and Stewarts and Lloyds Ltd.

whom the B.S.P.A. acted as agent for the distribution of basic slag imported by the Government from 1946 to 1952 and it shared in the arrangements made for procurement and distribution of imported slag for the next two years. B.B.S. took its share rather reluctantly and showed some concern that the importation of slag should be contemplated so long as home-produced slag remained unsold. In 1954 B.B.S. ceased to trade in imported slag, leaving this to Fisons and S.A.I. B.B.S. has recently made an agreement to market basic slag of Bessemer origin produced by the Steel Company of Wales Ltd.

II. ORGANISATION AND ACTIVITIES

246. British Basic Slag Ltd. is a private company with an authorised capital of £200,000 (150,000 2s. preference and 185,000 20s. ordinary shares) of which £7,510 has been issued (149,800 2s. preference—1s. paid, and 200 2s. preference—2s. paid). The issued share capital is held by eight steel companies from which the directors are drawn. The holdings vary in size but no company has a controlling interest. The companies are: Shelton Iron and Steel Ltd., Colvilles Ltd., Dorman Long (Steel) Ltd., John Summers and Sons Ltd., The United Steel Companies Ltd., The Park Gate Iron and Steel Co. Ltd., The Patent Shaft and Axletree Co. Ltd. and South Durham Steel and Iron Company Ltd.*

247. The company's only trading activity is the sale of basic slag, almost exclusively for fertiliser purposes, and it is essentially a common selling organisation for its members' production. It has no works and does not handle the product it sells. Supplies are drawn from six of the member companies and, as from about July, 1959, from the Steel Company of Wales Ltd. Two member companies, John Summers and Sons Ltd. and The Park Gate Iron and Steel Co. Ltd., ceased grinding slag for fertiliser use in 1951 and 1956 respectively, and subsequently dismantled their mills. The reasons given for this, and for similar action on the part of other concerns which remained members until after the war, is that the quality of slag produced in their steel works was unsaleable or did not justify the further running of the grinding plant or the occupation of space for this purpose. The actual production and grinding of slag is the responsibility of the steel companies. B.B.S.'s policy has been to keep members' mills in production as far as possible by transferring to them good grade slag from other works with a surplus; in practice these transfers have not been extensive and have all been from one particular works to two others.

248. There is a separate agreement, in a common form, between B.B.S. and each of its members, other than John Summers and Sons Ltd. The agreement made on 10th January, 1958, with the Steel Company of Wales is in similar form. The principal provisions require B.B.S. to purchase and the member to sell the whole of its fertiliser slag production, the member being entitled to dispose of any which B.B.S. has refused to take and to use or sell any portion for iron and steel manufacture. Each member receives the proceeds realised on the sale of his own slag, less

* The share-holding companies themselves were taken into public ownership by the Iron and Steel Corporation of Great Britain. They have now been returned to private ownership.

deductions made by B.B.S. to cover carriage, allowances, selling and administration costs, income tax and preference dividend. B.B.S. makes no profit other than that required to pay the two latter items.

249. B.B.S. supplies basic slag to agricultural merchants and co-operative societies. (The arrangements are described in detail in Chapter 9.)

250. B.B.S. employs two Agricultural Advisers who between them cover the whole of England, Wales and Scotland, their duties including technical advice on the use of basic slag and fertilisers in general and on other farming matters. The company makes donations to various agricultural institutes and research establishments. It is a member of the Basic Slag Producers Association, the National Association of Corn and Agricultural Merchants Ltd. and the Institute of Corn and Agricultural Merchants.